
DC Råstoffer A/S

B-Vej 8, DK-2300 København S

Annual Report for 1 January - 31 December 2019

CVR No 30 81 48 00

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
19/5 2020

Géry De Cloedt
Chairman of the General
Meeting



pwc

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	7
Balance Sheet 31 December	8
Cash Flow Statement 1 January - 31 December	10
Notes to the Financial Statements	11

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of DC Råstoffer A/S for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations and cash flows for 2019.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København, 19 May 2020

Executive Board

Kim Fynbo Nielsen
Executive Officer

Board of Directors

Géry De Cloedt
Chairman

Guy Vandernickt

Kim Fynbo Nielsen

Independent Auditor's Report

To the Shareholder of DC Råstoffer A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DC Råstoffer A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, cash flow statement and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We refer to note 1 to the Financial Statements, which shows that the Company has realised a loss before tax of DKK 510k in the year ended 31 December 2019, and that the Company's liabilities at this date exceed its assets by DKK 15,869k. These matters together with the matters mentioned in note 1 and 2 indicate that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion has not been modified in respect of this matter.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Independent Auditor's Report

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to

Independent Auditor's Report

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Herning, 19 May 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Kim Vorret
statsautoriseret revisor
mne33256

Hans Jørgen Andersen
statsautoriseret revisor
mne30211

Company Information

The Company

DC Råstoffer A/S
B-Vej 8
DK-2300 København S
E-mail: info@dcraastoffer.dk

CVR No: 30 81 48 00
Financial period: 1 January - 31 December
Municipality of reg. office: København

Board of Directors

Géry De Cloedt , Chairman
Guy Vandersnickt
Kim Fynbo Nielsen

Executive Board

Kim Fynbo Nielsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Platanvej 4
DK-7400 Herning

Management's Review

Key activities

The principal activity of the Company is the operation of gravel pits as well as dredging and entry of raw materials to various ports.

Development in the year

The income statement of the Company for 2019 shows a loss of DKK 397,804, and at 31 December 2019 the balance sheet of the Company shows negative equity of DKK 15,869,022.

Income Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit/loss		-14,413	-2,924,448
Staff expenses	3	<u>0</u>	<u>-1,406</u>
Profit/loss before financial income and expenses		-14,413	-2,925,854
Financial income		0	22,524
Financial expenses	4	<u>-495,488</u>	<u>-434,296</u>
Profit/loss before tax		-509,901	-3,337,626
Tax on profit/loss for the year	5	<u>112,097</u>	<u>2,083,480</u>
Net profit/loss for the year		<u>-397,804</u>	<u>-1,254,146</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>-397,804</u>	<u>-1,254,146</u>
		<u>-397,804</u>	<u>-1,254,146</u>

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Other receivables		31	9,150
Deferred tax asset		352,000	1,737,000
Corporation tax receivable from group enterprises		<u>1,497,097</u>	<u>3,629,480</u>
Receivables		<u>1,849,128</u>	<u>5,375,630</u>
Cash at bank and in hand		<u>1,532</u>	<u>0</u>
Currents assets		<u>1,850,660</u>	<u>5,375,630</u>
Assets		<u>1,850,660</u>	<u>5,375,630</u>

Balance Sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		500,000	500,000
Retained earnings		-16,369,022	-15,971,218
Equity	6	-15,869,022	-15,471,218
Payables to group enterprises		17,709,682	13,239,913
Long-term debt	7	17,709,682	13,239,913
Credit institutions		0	7,460,804
Trade payables		10,000	145,658
Other payables		0	473
Short-term debt		10,000	7,606,935
Debt		17,719,682	20,846,848
Liabilities and equity		1,850,660	5,375,630
Going concern	1		
Uncertainty relating to recognition and measurement	2		
Contingent assets, liabilities and other financial obligations	10		
Related parties	11		
Accounting Policies	12		

Cash Flow Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Net profit/loss for the year		-397,804	-1,254,146
Adjustments	8	383,391	-1,671,708
Change in working capital	9	3,189,941	2,742,429
Cash flows from operating activities before financial income and expenses		3,175,528	-183,425
Financial income		0	22,524
Financial expenses		-495,960	-433,825
Cash flows from operating activities		2,679,568	-594,726
Repayment of payables to group enterprises		0	231,837
Raising of loans from group enterprises		4,782,768	0
Cash flows from financing activities		4,782,768	231,837
Change in cash and cash equivalents		7,462,336	-362,889
Cash and cash equivalents at 1 January		-7,460,804	-7,097,915
Cash and cash equivalents at 31 December		1,532	-7,460,804
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		1,532	0
Overdraft facility		0	-7,460,804
Cash and cash equivalents at 31 December		1,532	-7,460,804

Notes to the Financial Statements

1 Going concern

At 31 December 2019, the Company's equity is negative by DKK 15.9 million. The Company is financed through debt to the Parent Company of DKK 17.7 million. At the balance sheet date, the Company is without any activity, and the Company's fixed assets have been transferred to a fellow subsidiary.

Management assesses that the current financing may be maintained until the Company may be merged into a fellow subsidiary. Consequently, Management prepares the Annual Report under the going concern assumption. We moreover refer to the description of the uncertainty relating to recognition and measurement in note 2.

Based on the Company's capital position and the general uncertainty relating to the Company's activity, material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern.

2 Uncertainty relating to recognition and measurement

The Company's recognition of the deferred tax asset is based on the Company continuing as a going concern and receiving compensation in the joint taxation for the utilisation of losses. This assessment is subject to uncertainty.

3 Staff expenses

	<u>2019</u> DKK	<u>2018</u> DKK
Other social security expenses	<u>0</u>	<u>1,406</u>
	0	1,406
Average number of employees	<u>0</u>	<u>0</u>

4 Financial expenses

Interest paid to group enterprises	290,123	259,606
Other financial expenses	<u>205,365</u>	<u>174,690</u>
	<u>495,488</u>	<u>434,296</u>

Notes to the Financial Statements

	2019 <u>DKK</u>	2018 <u>DKK</u>
5 Tax on profit/loss for the year		
Current tax for the year	-1,497,097	-1,784,840
Deferred tax for the year	1,385,000	1,050,000
Adjustment of tax concerning previous years	0	-1,844,640
Adjustment of deferred tax concerning previous years	0	496,000
	<u>-112,097</u>	<u>-2,083,480</u>
 6 Equity		
	<u>Share capital</u>	<u>Retained earnings</u>
	<u>DKK</u>	<u>DKK</u>
Equity at 1 January	500,000	-15,971,218
Net profit/loss for the year	0	-397,804
Equity at 31 December	<u>500,000</u>	<u>-16,369,022</u>
 7 Long-term debt		
	<u>2019</u>	<u>2018</u>
	<u>DKK</u>	<u>DKK</u>
Payables to group enterprises		
Between 1 and 5 years	17,709,682	13,239,913
Long-term part	17,709,682	13,239,913
Within 1 year	0	0
	<u>17,709,682</u>	<u>13,239,913</u>
 8 Cash flow statement - adjustments		
Financial income	0	-22,524
Financial expenses	495,488	434,296
Tax on profit/loss for the year	-112,097	-2,083,480
	<u>383,391</u>	<u>-1,671,708</u>

Notes to the Financial Statements

	<u>2019</u> DKK	<u>2018</u> DKK
9 Cash flow statement - change in working capital		
Change in inventories	0	2,715,776
Change in receivables	3,325,599	2,220,800
Change in trade payables, etc	-135,658	-2,194,147
	<u>3,189,941</u>	<u>2,742,429</u>

	<u>2019</u> DKK	<u>2018</u> DKK
10 Contingent assets, liabilities and other financial obligations		

Charges and security

The following assets have been placed as security with bankers:

Sales- and other receivable, company mortgage	0	9,150
---	---	-------

Company mortgage has been provided as security at a total amount of DKK 9,000k and is also provided as security for affiliated companies outstanding bank debts at 31 December amounting to DKK 44,701k.

Guarantee obligations

Security in respect of affiliated companies outstanding bank debts at 31 December amounting to DKK 44,701k.

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Thyborøn Nordsø Ral A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on un-earned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

11 Related parties

The company is included in the consolidated report for the ultimate parent company

<u>Name</u>	<u>Place of registered office</u>
Group De Cloedt s.a.	Rue Gachard 88 Bfk 12, 1050 Ixelles, Belgium

The Group Annual Report of Group De Cloedt s.a. may be obtained at the following address:

Rue Gachard 88 Bfk 12
1050 Ixelles
Belgium

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of DC Råstoffer A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

12 Accounting Policies (continued)

Income Statement

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of change in inventories of finished goods, work in progress and goods for resale and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Notes to the Financial Statements

12 Accounting Policies (continued)

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Notes to the Financial Statements

12 Accounting Policies (continued)

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Overdraft facilities".

The cash flow statement cannot be immediately derived from the published financial records.